

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO,

Debtor.

THE SPECIAL CLAIMS COMMITTEE OF THE
FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO, ACTING BY AND
THROUGH ITS MEMBERS,

)
)
) PROMESA

) Title III

)
) Case No. 17-BK-03283 (LTS)

)
)
) PROMESA

) Title III

)
) Case No. 17-BK-03566 (LTS)

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)
) Adv. Proc. No. 19-00356 (LTS)

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), (iv) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK- 4780) (Last Four Digits of Federal Tax ID: 3747).

and
THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF ALL TITLE III DEBTORS
(OTHER THAN COFINA),
as co-trustees of
THE EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF PUERTO RICO,
Plaintiff,
v.
DEFENDANT 1M, *et al.*,
Defendants.

THE SPECIAL CLAIMS COMMITTEE OF THE
FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO, ACTING BY AND
THROUGH ITS MEMBERS,
and
THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF ALL TITLE III DEBTORS
(OTHER THAN COFINA),
as co-trustees of
THE EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF PUERTO RICO,
Plaintiff,
v.
STOEVEER GLASS & CO., *et al.*,

Adv. Proc. No. 19-00357 (LTS)

Defendant.

Adv. Proc. No. 19-00359 (LTS)

THE SPECIAL CLAIMS COMMITTEE OF THE
FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO, ACTING BY AND
THROUGH ITS MEMBERS,

and

THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF ALL TITLE III DEBTORS
(OTHER THAN COFINA),

as co-trustees of

THE EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF PUERTO RICO,

Plaintiff,

v.

DEFENDANT 1H-78H,

Defendants.

Adv. Proc. No. 19-00361 (LTS)

THE SPECIAL CLAIMS COMMITTEE OF THE
FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO, ACTING BY AND
THROUGH ITS MEMBERS,

and

THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF ALL TITLE III DEBTORS
(OTHER THAN COFINA),

as co-trustees of

THE EMPLOYEES RETIREMENT SYSTEM OF THE)
GOVERNMENT OF PUERTO RICO,)
)
Plaintiff,)
)
v.)
)
DEFENDANT 1G-50G, *et al.*,)
)
Defendants.)

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**DECLARATION OF SPARKLE L. SOOKNANAN
IN SUPPORT OF ERS BONDHOLDERS' BRIEF IN OPPOSITION
TO THE COMMITTEES' MOTION FOR SUMMARY JUDGMENT
ON *ULTRA VIRES* ISSUES**

I, Sparkle L. Sooknanan, hereby declare under penalty of perjury:

1. I am a partner at the law firm of Jones Day, located at 51 Louisiana Avenue, N.W., Washington, D.C. 20001. I am a member in good standing of the Bars of the State of New York and the District of Columbia and admitted *pro hac vice* in this matter. There are no disciplinary proceedings pending against me. I submit this declaration in support of the *ERS Bondholders’² Brief in Opposition to the Committees’ Motion for Summary Judgment on Ultra Vires Issues*. I have personal knowledge of the matter stated herein. If called as a witness in this action, I could and would testify competently to the contents of this declaration.

2. Attached as Exhibit 1 hereto is a true and correct copy of the *ERS Bondholders’ Rule 56(b) Statement of Undisputed Facts in Support of Motion for Partial Summary Judgment on Ultra Vires Issues and Proceedings* (“Rule 56(b) Statement of Undisputed Facts”), as filed in Case No. 17-bk-03283, ECF No. 14242, on September 11, 2020. This Rule 56(b) Statement of Undisputed Facts was filed on the case docket of each proceeding raising the *ultra vires* issue and is therefore before the Court.³ It is attached here for the convenience of the Court. The Rule 56(b) Statement of Undisputed Facts references the *Declaration of Sparkle L. Sooknanan in Support of*

² The ERS Bondholders are: Altair Global Credit Opportunities Fund (A), LLC; Andalusian Global Designated Activity Company; Crown Managed Accounts for and on behalf of Crown/PW SP; Glendon Opportunities Fund, L.P.; LMA SPC for and on behalf of Map 98 Segregated Portfolio; Mason Capital Master Fund LP; Oaktree-Forrest Multi-Strategy, LLC (Series B); Oaktree Opportunities Fund IX, L.P.; Oaktree Opportunities Fund IX (Parallel), L.P.; Oaktree Opportunities Fund IX (Parallel 2), L.P.; Oaktree Huntington Investment Fund II, L.P.; Oaktree Opportunities Fund X, L.P.; Oaktree Opportunities Fund X (Parallel), L.P.; Oaktree Opportunities Fund X (Parallel 2), L.P.; Oaktree Value Opportunities Fund Holdings, L.P.; Oceana Master Fund Ltd.; Ocher Rose, L.L.C.; Pentwater Merger Arbitrage Master Fund Ltd.; PWCM Master Fund Ltd.; Puerto Rico AAA Portfolio Bond Fund, Inc.; Puerto Rico AAA Portfolio Bond Fund II, Inc.; Puerto Rico AAA Portfolio Target Maturity Fund, Inc.; Puerto Rico Fixed Income Fund, Inc.; Puerto Rico Fixed Income Fund II, Inc.; Puerto Rico Fixed Income Fund III, Inc.; Puerto Rico Fixed Income Fund IV, Inc.; Puerto Rico Fixed Income Fund V, Inc.; Puerto Rico Fixed Income Fund VI, Inc.; Puerto Rico GNMA & U.S. Government Target Maturity Fund, Inc.; Puerto Rico Mortgage-Backed & U.S. Government Securities Fund, Inc.; Redwood Master Fund, Ltd; SV Credit, L.P.; Tax-Free Puerto Rico Fund, Inc.; Tax-Free Puerto Rico Fund II, Inc.; Tax-Free Puerto Rico Target Maturity Fund, Inc.; and UBS IRA Select Growth & Income Puerto Rico Fund.

³ See Case No. 17-bk-03283, ECF No. 14242; Case No. 17-bk-03566, ECF No. 972; Adv. Proc. No. 19-ap-00356, ECF No. 116; Adv. Proc. No. 19-ap-00357, ECF No. 121; Adv. Proc. No. 19-ap-00359, ECF No. 100; Adv. Proc. No. 19-ap-00361, ECF No. 103.

ERS Bondholders' Motion for Partial Summary Judgment on Ultra Vires Issues and Proceedings, dated September 11, 2020, and the exhibits thereto, also filed on the case docket of each proceeding raising the *ultra vires* issue.⁴

3. Attached as Exhibit 2 hereto is a true and correct copy of the document, Series A Specimen Bonds, bearing Bates Nos. PR-ERS-000003673 through PR-ERS-000003768.

4. Attached as Exhibit 3 hereto is a true and correct copy of the document, Series B Specimen Bonds, bearing Bates Nos. PR-ERS-000004346 through PR-ERS-000004441.

5. Attached as Exhibit 4 hereto is a true and correct copy of the document, Series C Specimen Bonds, bearing Bates Nos. PR-ERS-000005222 through PR-ERS-000005245.

6. Attached as Exhibit 5 hereto is a true and correct copy of excerpts of the book titled *Visual Guide to Municipal Bonds*, written by Robert Doty, published in 2012.

7. Attached as Exhibit 6 hereto is a true and correct copy of the First Set of Requests of the Committees and Government Parties for Production of Documents to the ERS Bondholder Groups, Nov. 1, 2019.

8. Attached as Exhibit 7 hereto is a true and correct copy of the First Set of Interrogatories of the Committees and Government Parties to the ERS Bondholder Groups, Nov. 1, 2019.

9. Attached as Exhibit 8 hereto is a true and correct copy of the First Set of Requests for Admission of the Committees and Government Parties to the ERS Bondholder Groups, Nov. 1, 2019.

⁴ See Case No. 17-bk-03283, ECF No. 14243; Case No. 17-bk-03566, ECF No. 973; Adv. Proc. No. 19-ap-00356, ECF No. 117; Adv. Proc. No. 19-ap-00357, ECF No. 122; Adv. Proc. No. 19-ap-00359, ECF No. 101; and Adv. Proc. No. 19-ap-00361, ECF No. 104.

10. Attached as Exhibit 9 hereto is a true and correct copy of excerpts of the transcript of the hearing held on January 15, 2020, on the parties' motions to compel related to the *ultra vires* issues.

11. Attached as Exhibit 10 hereto is a true and correct copy of excerpts of the deposition transcript of Mr. Richard Engman, dated May 29, 2020.

12. Attached as Exhibit 11 hereto is a true and correct copy of excerpts of the deposition transcript of Mr. Luis Manuel Collazo Rodriguez, dated June 9, 2020.

13. Attached as Exhibit 12 hereto is a true and correct copy of excerpts of the deposition transcript of Mr. Jordan Mikes, dated March 5, 2020.

14. Attached as Exhibit 13 hereto is a true and correct copy of excerpts of the deposition transcript of Mr. Luke Corning, dated March 6, 2020.

15. Attached as Exhibit 14 hereto is a true and correct copy of excerpts of the deposition transcript of Mr. Justin Boyer, dated March 3, 2020.

16. Attached as Exhibit 15 hereto is a true and correct copy of excerpts of the deposition transcript of Mr. Robert Doty, dated August 11, 2020.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: October 28, 2020
Washington, D.C.

/s/ Sparkle L. Sooknanan
Sparkle L. Sooknanan